

used. We agree that Social Security should be set aside, put in a lockbox. If you listened to the campaign debate last year, you would have thought Vice President Gore came up with that idea. He needs to check with Senator DOMENICI and others who actually came up with the idea of having a lockbox on Social Security.

We should continue to pay down the debt in an orderly way, as was suggested by Alan Greenspan, Chairman of the Federal Reserve System, over a period of years, and we can eliminate it earlier than was indicated. We ought to do that on a steady basis. We can have additional investment in areas where we really need it—in education, in health care, even in defense.

To the President's credit, he is saying in the defense area, let's take a look and see what our needs may be in defense; let's look and see if there might be someplace where we can save some money in defense while we clearly are going to have to do more in terms of having readiness and modernization and quality of life for our men and women in the military. We need to assess what we are going to need in the future. He is going about it in an orderly fashion. That is a good idea.

There is no question that working Americans need some tax relief. You talk about breaks for the wealthy. What about the single educated young woman making \$30,000 a year in the 28-percent bracket? That is not rich. We have these brackets now that force people into higher and higher brackets at very low income levels. That is fundamentally unfair. We are talking about tax relief for all Americans across the board. It is very fair to do it that way.

I thought we had fundamental agreement last year that we need to do something about reducing the marriage penalty. The President proposes that we double the child tax credit. I don't believe there are a lot of Democrats who are going to speak against that. He encourages more use of charitable contributions without being first penalized with taxes when you take some of your savings and put it into charity. He has a whole package of good ideas, and it is a very fair proposal because it is across-the-board rate cuts.

There is another benefit here. We are not just talking about the fairness in the Tax Code; we are talking about the need for some economic growth incentives. Look at what President Kennedy did, what President Reagan did, and how much their tax relief was as a percentage of GDP. As a matter of fact, President Bush's proposals are actually below what the Kennedy-Johnson package provided for way back in the 1960s. In each case, we had economic growth; we had an increase of revenue coming into the Federal Government.

The problem was, in the 1980s, we had an insatiable spending appetite by the Democratically-controlled Congress that kept pushing up spending. Unfor-

tunately, we could not convince President Reagan to veto more of those bills. I hope President George W. Bush will press aggressively for his proposal on tax relief. I know he is doing it. He is going today to have an event with a young woman in business to show how this tax relief would help her.

As a matter of fact, we checked on a lady who was here a couple years ago, expressing concern about Government mandates and regulations and taxes, named Harriet Cane from the Sweetlife, a small restaurant in Marietta, GA. She had eight employees. She was struggling to make ends meet. She was doing more and more herself. She did the mopping, the preparation.

Well, we checked with her to see how she is doing. Guess what. She is out of business. She said: What drove me out of business was a lot of things, but Government mandates and regulations and taxes contributed mightily to it. When she heard what President Bush is talking about, she said: That certainly would have helped me. For the young entrepreneur, this tax relief will be very positive.

There is a fundamental difference. There are people here who think that any money we can take from people to bring to Washington, we have the brilliance on how it should be spent.

I have a fundamental faith in the people to decide what they should do with their own money that they worked hard to earn. Now they are paying 28 percent, 15 percent, 33 percent, 36.5 percent. When you add it all up, you still have people in this country paying 40, 50 percent of everything they earn for taxes, to bring it to Washington so the brilliant Members of Congress and the bureaucrats can decide how they think it should be spent.

I don't agree with that. I think the family can decide how to best spend money for their children's needs, whether it is buying clothes or a refrigerator, a different car, or a tutor for education. The same thing is true in education.

States such as Minnesota put a lot of money into education. Other States don't put as much into education. Quality education is not consistent across this country, between States and within States, including my own State.

My State has put a high priority on education. We are beginning to make progress. We are going to be paying teachers more. Our universities have been competing more aggressively for research money in physics, acoustics, and polymerscience.

I still believe education should be run at the local level and decisions should be made there. I think we should have a program that leaves no child behind; we should improve reading, but we should also improve math and science skills.

The Federal Government can help with that. By the way, not everybody even agrees with that. My predecessor—a Democrat, I might add—in

the House and in the Senate thought there was a great concern about the Federal dollar and Federal control following the Federal dollar. I don't agree. I think we have a role to play in early childhood education and elementary and secondary and in higher education. We have been doing a better job in higher education than in elementary and secondary.

I think money should be given to the States and the localities, local education administrators and teachers and parents, with flexibility so they can decide how to spend it. People in Washington don't like it. They want to tell you to spend it here, there, or somewhere else. Pascagoula, MS, might have different needs from Pittsburgh, PA. We may need more teachers, or maybe we need more remedial reading programs, or maybe we need to fix a leaky roof. But the Federal Government doesn't know what the priority is.

We are going to have a good debate. I look forward to it. When I check with my constituents, the people working, paying taxes, pulling the load, people out in the forests who are being told, "By the way, you can't cut trees anymore and you can't have roads to get to those trees," and people working in the shipyards or oil refineries, they are wondering what will happen. They don't have to have a national energy crisis. The problem is we haven't been producing more energy because we want to shut down our resources—coal, oil.

Let's debate education and energy policy and we will get a result. I believe the American people will be better off when we get those done.

If we don't have a budget plan of how to use this tax surplus, it will be spent by the Washington Government. That is a mistake. I think the working people deserve help. Should we be concerned about low-income needs? Yes. We should address that in a variety of ways, and we are going to do that.

Yes, I think it is time to get on with the debate. I commend the President for what he proposed. He will bring it up to the Congress Thursday. We will have a chance to study it. I am pleased that he said let's make the income tax cuts retroactive to the first of the year. I think that will be even more positive for the economy.

#### THE NOMINATION OF ROBERT ZOELLICK

Mr. LOTT. Mr. President, there is one other subject on which I want to touch. Later today we will consider the nomination of Robert Zoellick to be the U.S. Trade Representative. That vote will occur at 4:15 p.m. I am satisfied that he will be confirmed, and he should be confirmed. He has a tremendous record in terms of education and experience and previous administrations in the private sector. I believe he will be a strong USTR.

I want to add that I am very much concerned about what I see happening

in the trade area. I want the U.S. Trade Representative to be strong. I am concerned about dictates I have seen in the past by both Democrat and Republican administrations, where the State Department or the Commerce Department goes to the White House and stops our Trade Representative from enforcing the trade laws. Free trade, yes, but also fair trade and enforce the laws on the books.

Canada is not dealing with us fairly when it comes to soft wood lumber and wheat. Our closest neighbor, perhaps our best friend in the world, and we cannot get them to live up to the trade agreement we have with them. While we see increased trade in Mexico and Central America, that is good. We have certain problems with Mexico, too. In Europe, for heavens' sake, the first two decisions that the WTO made the Europeans basically have thumbed their nose at. I suggested to Mr. Zoellick, to quote a former great Senator from Georgia, Richard Russell, "I think we ought to have an American desk at the U.S. Trade Representative's office."

Somebody needs to speak for America and quit quaking in our boots about the diplomatic impact it would have with Canada if we say enforce the law. Enforce the law.

I made that statement to Mr. Zoellick privately and in the Finance Committee hearings, and I am going to do so when he is confirmed. I thought Charlene Barshefsky of the previous administration was a good U.S. Trade Representative up until the last year. Then I think she was overrun by the election year and the State Department and all kinds of other people. I think she was tougher than most Trade Representatives. Overall, she did a good job, particularly in the high-tech area.

In agriculture, she was not quite so good. But I am worried. I have supported all of these trade agreements we voted on over the years—GATT, NAFTA, Africa and CBI trade, and China PNTR. But I am getting really fed up with the way we are being treated by our trading partners. I am even more fed up with the way our administrations don't insist on the laws being enforced. So I have urged Mr. Zoellick to do that. I believe he will. I hope he will. If he does not, I can assure him and this administration and our trading partners that a strong letter to follow and action will be taken to be commensurate with how I feel about this issue.

We have to have some change in how we deal with our trading partners. Now is the time, at the beginning of a new administration. Without being overly critical, it has been both Republican and Democrat administrations. It is time we look after American interests in the trade area as well as in the diplomatic, economic, and military areas.

I know others will say things such as this, and in the Finance Committee some of my friends on the Democratic side were surprised to hear me say this

and liked it. I don't mean to sound as if I am some sort of a traditional protectionist, but fair is fair. I don't think our trading partners are dealing with us fairly right now.

I support this nomination, and I will urge a vote for his confirmation.

I yield the floor.

#### TAX CUTS

Mr. WELLSTONE. Mr. President, I will say to the majority leader that I think his last set of remarks may be the basis of bipartisanship between the two of us. We will keep this civil.

I will also say to the majority leader and others that I can't wait for the debate because he focuses on the \$30,000-a-year family. But anybody who looks at the distribution of benefits of President Bush's tax cut plan will see—I don't know—40 percent of the benefit going to the top 1 percent of the top 5 percent, which is ridiculous. It is like Robin Hood in reverse. Yes, we will make sure there is a set of tax credits to go to middle-income and working-income families. Absolutely.

I will point out one more time—and I didn't hear the majority leader respond to this at all—I want to hold President Bush accountable for these numbers—a \$3.1 trillion non-Social Security surplus becomes 2.6 when you put Medicare trust money aside, which we will do. It becomes \$2 trillion when extending tax credits, and we also provide payments to farmers and other people, which we will do without doubt. The tax cuts go from \$1.6 trillion to \$2 trillion, when you now have to pay the interest on the debt, when you are not paying the debt down, in which case I want to know where are the resources to leave no child behind.

I say to the majority leader that I am more than willing to debate after we provide tax cuts for middle-income working families, whether or not we, in fact, provide some benefits so elderly people can afford prescription drugs versus tax cuts for the wealthy, whether we can expand health care coverage versus tax cuts, or whether or not we will live up to the words of leaving no child behind and make investment in child care and in Head Start and in our schools and fund the IDEA program versus tax cuts for the wealthy.

I think the message President Bush is trying to convey and the majority leader echoes to the people in the country—I all of a sudden find myself being a fiscal conservative—is that we can do it all. There is no free lunch. We can't do it all. We can't have tax cuts disproportionately to the wealthy, erode the revenue base, and at the same time say we are going to leave no child behind; we are going to make an investment in education; we are going to make an investment in covering prescription drugs for the elderly. We can't do both. The people in the country are smart enough to figure that out, and I hope Democrats will engage this administration. The sooner the

better. I don't think we need to wait one more day to have this debate.

Senators and President Bush: You cannot proclaim the vision and the value of leaving no child behind and keep this on a tin cup budget. If we are real about this, we will make the investment in the intellect, the skills, and the character of our children.

This budget is not real. It does not make that commitment to leaving no child behind.

I yield the floor.

The PRESIDING OFFICER. The Senator from Oregon.

#### AIRLINE INDUSTRY COMPETITION

Mr. WYDEN. Mr. President, a key principle of economic competition today is that one big merger begets another. Known as copycat mergers, these deals are made when the companies that did not merge first felt forced to copy the initial merger. If those left behind do not merge, then they just can't keep up with the Joneses.

This morning, I am going to focus for a few minutes on competition in the airline industry. I want to begin by saying that when it comes to copycat airline mergers, this country has reached the point where there are virtually no more cats.

This weekend, Americans opened their newspapers to learn that Delta Airlines, the nation's third largest carrier, and Continental, have begun merger discussions. The Associated Press says that Delta and Continental don't even really want to merge. But you guessed it—they say other major airline mergers might drive them to it.

The latest round of airline merger reports comes on the heels of the proposed United-U.S. Airways merger and American's proposed deals with TWA and United.

In my opinion, if nothing is done in the face of these proposed airline mergers, our country is headed down a runway of no return. If this lineup of mergers takes off, it will destroy the last remnants of competition in the airline history.

The trend toward concentration in the airline industry did not begin in the last few weeks. More than 20 consecutive airline mergers were approved in the 1980s.

I believe much of the problem we are seeing today stems from that huge array of airline mergers that took place in the 1980s. In fact, I think the merger between TWA and Ozark sets in motion the trend that began in the 1980s. I come to the floor this morning to say I believe it is time to change course.

The central problem stems from the fact that the major proponents of deregulation have not been willing to simultaneously and vigorously enforce the antitrust laws. As a result, our country gets the worst of both worlds: dominant companies with a choke hold on the market, and nobody setting rules to make sure they don't run